

MEMORANDUM

To: Members of the House Committee on Elections and Ethics

From: Jennifer Smith, Assistant Director of Government Relations
Don Wotruba, Deputy Director

Date: November 5, 2013

RE: House Bills 4887, 5115 and 5116

Michigan Association of School Boards (MASB) is opposed to House Bills 4887 (H-1) and 5115-5116 as introduced. These bills would have a detrimental effect on how school districts petition for bonds, renew their 18 mills on non-homestead property, and pass or renew other millages.

Several concerns have been raised by school boards around the state about these bills. State law requires all school proposals to be at the very end of the ballot given to voters, meaning that on a crowded ballot as often happens in November and August elections, millage and bond issues would be at the bottom or—in many cases—on the second pages of these ballot. Voter turnout falls off the longer the ballot meaning that many voters would be less likely to participate in elections if these issues are crowded into one of two elections.

All schools are required to levy 18 mills on non-homestead property. Forcing schools to put this renewal on an August or November ballot could result in more schools failing to get their local millages renewed and facing a situation where they are not able to approach voters with modified or improved proposals for up to 10 months. Losing this revenue for any length of time would result in significantly reduced general fund revenues for districts, causing some to go into deficit or close their doors.

Limiting when a school could petition for a bond could end up causing taxpayers to pay more for those bonds. Currently a district can determine when the best rates to issue the bonds exist and get the most out of their bonds by putting the issue before voters quickly in order to capitalize on good market conditions. By limiting a district to only August or November elections, they lose the flexibility to issue bonds when the market is in the best standing.

MASB stands ready to work with the bill sponsors and the committee to address these concerns. However, as currently written, MASB is forced to oppose this legislation because of the potential for significant consequences for local school districts.